

**Water/Wastewater Commissioners’
Meeting Minutes
November 22, 2011**

Present: Robert E. Courage, Chairman
Michael E. Putnam, Vice-Chairman
Dale A. White, Member
David Boucher
Evelyn Gendron

Call to Order:

Chairman Courage called the meeting to order at 6:05 p.m. and welcomed Mr. Sheehy and Town Administrator Scaife.

Appointments:

Sewer Rate Study - Update – Mr. Jack Sheehy, Director of Financial Operations distributed the memo he authored dated November 22, 2011 and explained that the sewer fund has been operating at a loss for the last four years, since a sewer rate increase had not occurred during or since 2005. Mr. Sheehy answered Commissioner White’s questions regarding depreciation and the effects of the financial contributions resulting from the addition of developments and the Patch Hill pump station to the system. Mr. Sheehy said that the financial data provided was based on actual town audit figures. Answering Chairman Courage’s question, Mr. Sheehy said that he didn’t factor in a capital reserve contribution since it was clear, looking at the position of the sewer fund, that the rates needed to be increased first. The amount of the increase was dependent upon the Board of Commissioners. He suggested instituting, as recommended in the final paragraph of his memo, the rate increases as proposed on Table 8 from the 2006 sewer rate study. Quoting that paragraph, “Since the rate increase in 2009 was missed, there would be a need to start either by an 18% increase in 2012, or with some modification of the schedule to reach the full additional 28% increase in 2015, or by pushing the change in rates out further than the original schedule.” Chairman Courage agreed that the original rate increase schedule proposed in 2006 should have been followed, but that the Commissioners at the time felt that the economy was difficult and would not support both a water and sewer rate increase; perhaps it would be best to forego contributions to the capital improvements at this time. All agreed that caution with expenses is important. Several projected revenue increasing percentage scenarios were discussed, referencing Mr. Sheehy’s hand-out entitled “Comparison of Rate Changes on Sewer Usage Charges (Table C). Vice-Chairman Putnam suggested consideration of the effect of two increases of 14% each. Mr. Sheehy answered Town Administrator Scaife’s questions about the effect of the deficit, which existed for a few years, upon the fund balance, explaining how the fund balance decreased. Mr. Scaife said his concern is to avoid the exercise of a rate hearing that would not produce enough of a correction to the deficit in order to stay solvent, and said that if his math is correct, that a 18% increase may equate to approximately a \$9 increase per residential account and perhaps approximately a \$12 business account increase per billing quarter. He said that, as a resident paying for water and sewer, he doesn’t consider the two rates separately, he looks at the water/sewer amount as a total bill due for payment, which would still be \$37 a year for residential, if his math was correct. Upon further discussion, Chairman Courage

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requested that Mrs. Hardwick prepare before the next meeting a comparison of an average residential and commercial bill with 'per quarter' and 'annual' increases calculated at proposed new rates. Vice-Chairman Putnam said that as a business, we need to show that the deficit will not continue. Mr. Scaife pointed out that calculations of proposed percentage rates for the number of residential and commercial accounts can be calculated right up until a scheduled rate hearing. Mr. Sheehy pointed out that citizens would easily understand the need for a rate increase hearing since everyone has felt the effects of the variety of overall price increases to fuel, electricity, etc., and how all the operating expenses to maintain the water and sewer systems have increased, yet the funds by which to maintain the systems have not kept pace with the increased expenses, and that the capital equipment required at the Water Utilities Department is expensive to repair. Chairman Courage asked Mr. Sheehy to begin working up 18% percent increase calculations for further review. Commissioner White said that we need to take advantage of the big government gift that organizations operating as enterprise funds are entitled to: depreciation. The commissioners thanked Mr. Sheehy and Mr. Scaife for their assistance and wished them a good Thanksgiving holiday.

Residential/Commercial Sewer Rate Change – Mrs. Barbara Riccardi and Mr. Mike Harris were present this evening to request the Board reconsider the recent change in billing the Stoney Creek Condominiums from residential to commercial, as they had been notified via correspondence recently. Mr. Boucher explained that approximately 20 accounts were changed from residential to commercial, based upon the definition of residential and commercial accounts within the Sewer Use Ordinance, and that commercial is explained as anything greater than a duplex or an industrial establishment and that past billings were not affected. Commissioner White asked if there was just one water meter per building; Mrs. Riccardi and Mr. Harris said yes. Vice-Chairman Putnam asked when the definitions were last reviewed for updates; Mr. Boucher said in 2008 but no changes were made to definitions. The ordinance was drafted by the Board of Selectmen; the Board of Commissioners are probably remiss in not updating the sewer ordinance. Mrs. Riccardi explained that the individual taxpayers are resident owners within Stoney Creek, so therefore they should not be billed at the commercial rate, and that the condo fees covering water and sewer, paid by the Board of Condominium Association, which is not a for-profit entity. She questioned whether separate meters should be installed and if the ordinance could be updated. Commissioner White made the motion to table this topic until the next meeting. Vice-Chairman Putnam seconded the motion. All voted in favor. The commissioners thanked Mrs. Riccardi and Mr. Harris for coming to the meeting this evening.

Decisions:

Approval of Final Minutes – Vice-Chairman Putnam made the motion to approve the minutes of the meeting held November 8, 2011. Commissioner White seconded the motion.

Bid Opening: Curtis Well #1 Cleaning and Motor Replacement – Mr. Boucher opened the one bid received, from D. L. Maher in Ayer, MA. Upon discussion, Vice-Chairman Putnam made the motion to approve proceeding with the scope of work as specified in the bid submitted by D. L. Maher for Curtis Well #1 cleaning and motor replacement in the amount of \$23,713.00. Commissioner White seconded the motion. All voted in favor. Superintendent Boucher will contact D. L. Maher and Mr. Gary Smith of Wright-Pierce to schedule the work.

Proposed Wilton Septage Facility Correspondence – Mr. Boucher distributed Attorney Drescher’s draft correspondence to the Wilton Board of Selectmen and Sewer Commission explaining Milford’s concerns with the proposed septage receiving facility, and said that the Wilton meeting minutes were not precise in Milford’s position. Vice-Chairman Putnam made the motion to add the language suggested by Chairman Courage and to add signatory lines for the Milford commissioners’ approval on the letter. Commissioner White seconded the motion. All voted in favor.

Water and Sewer Entrance Fees - Mr. Boucher circulated the memo dated October 25, 2011 prepared by Mr. Jack Sheehy updating the Water and Sewer Entrance Fee Calculations, attached to the minutes of these minutes as a permanent record. Chairman Courage made the motion to approve the new revised fees to be effective as of this date:

Water Entrance Fee – Residential:	\$1,151.91 per unit
Water Entrance Fee – Commercial	\$6.53 per GPD
Sewer Entrance Fee – Residential:	\$1,626.43 per unit
Sewer Entrance Fee – Commercial:	\$10.84 per GPD

Vice-Chairman Putnam seconded the motion. All voted in favor. Mrs. Hardwick will update the brochures to include the new entrance fees.

Discussion/Information Items:

Septage Receiving Facility Project Update – Superintendent Boucher apprised the commissioners of the most recent activities.

Curtis Well Field – Superintendent Boucher apprised the commissioners of the most recent activities and will be discussing the continuing SCADA issues.

Sewer Rehab Project Update – Superintendent Boucher said that he is waiting for DVDs, reports and invoices.

Non-Public Session (RSA 91-A:3) (Land):

At 7:24 p.m., Chairman Courage made the motion to go into Non-Public Session for the purpose of discussing land, and polled Mr. Boucher, Commissioner White, and Vice-Chairman Putnam. Vice-Chairman Putnam seconded the motion and all voted in favor. At 7:55 p.m. the non-public session ended with Chairman Courage making the announcement that no decisions had been made while in the non-public session.

Future Appointments/Meetings:

The next Water and Wastewater Commissioners’ meeting will be held at 6:00 p.m. on Tuesday, December 6, 2011 at the Water Utilities Department, 564 Nashua Street.

Adjournment:

A motion to adjourn the regular meeting was made by Chairman Courage at 8:00 p.m. Vice-Chairman Putnam seconded the motion. All voted in favor.

Respectfully submitted,

Evelyn B. Gendron

Robert E. Courage, Chairman

Date

Michael E. Putnam, Vice-Chairman

Date

Dale A. White, Commissioner

Date